MHWMC

Manitoba Hazardous Waste Management Corporation

20th ANNUAL REPORT 2006 - 2007

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Letter of Transmittal

The Honorable John Harvard
Lieutenant Governor of the
Province of Manitoba

May it please your Honor:

I have the honor of presenting to you the Annual Report for the Manitoba Hazardous Waste Management Corporation for the year ended March 31, 2007.

Honorable Stan Struthers
Minister of Conservation responsible for the Manitoba Hazardous Waste Corporation

2006-2007 HIGHLIGHTS

- Revenues, volumes and profits reach record levels
- Miller acquires new Winnipeg head office and warehouse
- Rick Gallant retires as long-time MHWMC chairman and board member
- Vaughn Bullough returns as Miller 's Manitoba general manager
- Community liaison committee satisfied with centre operation
- Momentum maintained into new business year

ENVIRONMENTAL POLICY STATEMENT

While the Manitoba Hazardous Waste Management Corporation is no longer directly operating a waste management business, it remains committed to its original goals.

Its principal objective is to develop and maintain a Manitoba hazardous waste management system that will both preserve and enhance the quality of the environment in the province.

This is a fundamental element of the provincial government's broader policy of fostering universal environmental stewardship and sustainable economic development in Manitoba.

In carrying out its mandate, the corporation uses these guidelines as the basis for decision-making:

1. Recycling, re-use and recovery at source must be promoted, encouraged and carried out to minimize waste generation and maximize resource conservation.

2. All projects and activities related to hazardous waste management and disposal must be consistent with the protection of public health and environmental quality.

3. Public approval of the disposal system and its components must be earned through open and responsive communication and through public participation in all aspects of system development and operation.

4. Economic development will be encouraged and generated by a cost-effective waste management system that supports environment friendly enterprises.

5. Contemporary environmental values and policies will be fostered and promoted through public education and research, as well as by example.

6. The corporation will assume in perpetuity the environmental stewardship for all wastes and residues placed in its custody.

OVERVIEW

This was the eleventh year that Miller Environmental Corporation has operated the Miller Environmental Centre which was originally established in the Letellier- St. Jean Baptiste region by the Manitoba Hazardous Waste Management Corporation (MHWMC).

Miller Environmental was established in 1996 as a 50-50 public-private partnership between MHWMC, a provincial crown corporation, and Miller Waste Systems, a division of Miller Paving Ltd. of Markham, Ontario. Under the terms of the partnership, Miller Environmental is responsible for the operation of the environmental centre and its hazardous waste disposal business. The MHWMC owns the site and, as the landlord, is entitled to rent as its share of the profits made by the centre.

Policy direction for Miller Environmental is set by a board jointly appointed by Miller Waste Systems and the Manitoba Government. Miller appoints five directors to this nine person board, while the other four are provincial government nominees. As a stipulation of the partnership, two of the province's directors must be residents of the RM of Montcalm where the environmental centre is located on Highway 14, a mile West of the intersection with Highway 75. Montcalm also has a community liaison committee which monitors the center's operations on behalf of the community.

OUTLOOK

The new fiscal year of 2007-08 got off to a strong start at the beginning of April.

Miller Environmental's business growth continued at a rapid pace, sparking management optimism that the corporation can break the revenue and profit records of last year.

Miller's strategy is to do everything possible to ensure this happens. The corporation intends to regularly invest in additional technologies so more volumes of waste can be processed at the MEC Centre in the RM of Montcalm. It will also spur sales by continuing to develop a network of relationships with Alberta and Saskatchewan brokers in a position to commit extra volumes of waste to the Miller centre.

The buoyant state of the prairie and national economies is one factor underpinning present optimism. Demand for recycled metals is running high, with no signs apparent that this will change in the near future. All aspects of Miller's diversified business have been exhibiting strength, except for emergency spill responses which were almost negligible in the past 12 months.

Miller is striding through the present period of prosperity with a change of command at the top. Ross Edmunds, the company's general manager for the past three years, retired at the end of June, 2007. Mr. Edmunds had been associated in some capacity with the RM of Montcalm waste disposal centre almost since its inception. He joined the Manitoba Environment Department in 1980, the Manitoba Hazardous Waste Management Corporation in 1988 and Miller Environmental in 1996. Earlier, he commenced his career with the INCO mining company in 1967 and subsequently completed his education by acquiring a chemistry degree from the University of Manitoba in 1970.

His successor Vaughn Bullough, the new vice-president and general manager, is a case of back to the future. Mr. Bullough was general manager in Manitoba from 1997 to 2004 before being promoted to a vice-presidency in Miller's head office in the Toronto area. A westerner by birth and inclination, he returned to Manitoba in the fall of 2006 to supervise Miller's move to larger new quarters.

Miller Environmental embarks on a new year with a strong commitment to excellent customer service, effective marketing and cost controls to improve productivity and profitability. It will re-invest revenues to seize emerging opportunities, but it would like to see better monitoring and enforcement of government environmental regulations so that all waste disposal companies will compete on a level playing field.

THE MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION BOARD

RICHARD A. GALLANT, *Chairman and Chief Executive Officer*
Mr. Gallant has been chair of the corporation since 1995 and a director since 1992. An active community worker in the RM of Montcalm, he is a former member of the Letellier school advisory council, a member of the Letellier volunteer fire department, the local Knights of Columbus and a church trustee. In the business world, he is co-owner of Gallant's Family Foods and Del's Specialty Meats. The Gallant family has operated Letellier's grocery store for more than 80 years.

ROGER BARNABE, *Manager, Finance and Administration*
Mr. Barnabe is an accountant and entrepreneur. In addition to running several corporations, he sits on several rural development boards in Canada and the United States. He is president of the Montcalm Community Development Board and Access Montcalm, a high speed Internet initiative in his rural region. Mr. Barnabe is also vice-chair of both Northern Great Plains Inc. and the Red River Trade Council, two Canada-U.S. development think tanks.

DIRECTORS

DR. ART CHOW
Dr. Chow is a retired professor of chemistry, analyst and researcher at the University of Manitoba. A runner and photographer, he is also on the executive of the Manitoba Marathon Foundation.

MURRAY CRADDOCK
Mr. Craddock retired recently from his job as a Winnipeg staff representative for the Canadian Union of Public Employees (CUPE). With more than two decades of experience in labour relations, he is currently working as a consultant. His expertise has been in handling contract negotiations and grievances for workers in the social care, daycare and health care industries. Previously, he was on the boards of Blue Cross and the Society For Manitobans With Disabilities.

ALEX FORREST
Mr. Forrest, a member of the Winnipeg Fire Paramedic Service for the past 15 years, is president of the United FireFighters Union of Winnipeg. He is co-chair of the City of Winnipeg Safety Committee, a district representative of the International Association of FireFighters and an executive member of the Manitoba Federation of Labour. Trained to level one in hazardous materials handling, he works with firefighters across North America on emergency measures services, including hazardous material spill responses. Also licenced to practice law in Manitoba, he has arts and law degrees from the University of Manitoba.

IAN FORRESTER
Mr. Forrester is a prominent farmer in the RM of Montcalm. He is a co-owner of Forrester Farms Ltd., a family farm operation that was established five generations ago in 1881. With additional farming interests in the Emerson area, Mr. Forrester graduated from the University of Manitoba in 1981 with a degree in agriculture and a major in economics. He is chairman of district three of Keystone Agricultural Producers and has served on the district board for 19 years. He is also on the board of the Halbstadt Marais Water Co-op and the Altona Credit Union, as well as being a member of the Letellier Fire Department. Earlier, he was on the boards of the Buffalo Plains Conservation Association and the Emerson curling club and recreation complex.

ARNOLD GRAMBO
Mr. Grambo taught in the Brandon School Division for 32 years, retiring in 1996. Originally from a family farm in Birch Hills, Sask., he attended Brandon University and became deeply involved in community affairs in his adopted city. He served on Brandon City Council for 12 years, as well as being president of the Keystone Centre Board, member of the Brandon Economic Development Board and co-chair of the Brandon Solid Waste Management Committee. In retirement, he has concentrated on volunteer work, principally as president of the Hudson Bay Route Association and as a founding member and chair of Habitat For Humanity Brandon.

DR. BILL PATON
Dr. Paton is a professor of biology and botany at Brandon University. He is active in the Manitoba Association of Plant Biologists, a director of the Canadian Society For Environmental Biology and a past board member of Brandon University where he has taught since 1974. As well, he helped develop composting and recycling initiatives through his membership on the City of Brandon Solid Waste Management Committee. He is also President of the Brandon Area Environment Council.

GILLES SABOURIN
Mr. Sabourin is a life-long farmer of grains, oilseeds and special crops. He is a director of La Caisse Populaire and was a partner in a car dealership for 10 years. He is an RM of Montcalm municipal councillor who has served on the environment sub-committee of Manitoba Pool Elevators and the Montcalm Community Liaison Committee monitoring the Manitoba Environment Centre. In addition, he is a member of Montcalm Parks and Recreation, the Knights of Columbus and his church.

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION (MHWMC)

I have always looked forward to this annual report as it represents an opportunity to look in retrospect at the challenges and progress of this hybrid partnership between the Province of Manitoba and the Miller Group of companies.

This year provides an opportunity to go back even further than the past 12 months because a review is appropriate in my last report as chairman and CEO of the Manitoba Hazardous Waste Management Corporation (MHWMC).

Looking back on the partnership since its inception in 1995, it is gratifying to see its evolution to the point we are at today. In the beginning, the joint venture was not without its skeptics. The concept had been proposed in other jurisdictions but never got off the ground, in some cases at significant public expense. However, the obstacles were overcome due to visionaries during two different chapters in the life of our corporation.

It has become increasingly apparent to me over the last 12 years that two groups were key to the success of the hazardous waste disposal venture. Obviously, there were those involved in the conceptual stage, but just as important were those tasked with the implementation of the concept. The latter group understood the vision and established the necessary framework to make it work for all stakeholders. The Miller Environmental Centre has come of age thanks to the foresight and effort of numerous individuals at the provincial government, board, private sector and community levels.

The centre joint venture, up and running since 1996, is now a successful partnership providing a return on investment to all three stakeholders - the Province of Manitoba, the Miller Group and the RM of Montcalm. From the perspective of the province, Manitoba households and businesses are being served with an environmentally safe, cost effective option for disposal of household and industrial hazardous waste. The province is also benefiting from 50 per cent ownership in a well-established, profitable and sustainable business venture.

As hosting community, the RM of Montcalm is reaping the benefits of solid, reliable employment opportunities plus a significant contribution to its tax base. The Miller Group, meanwhile, has benefited from the Province's front end work in cultivating a receptive community, as well as the capital expenditures that were required to get the project off the ground. My hope is that all stakeholders will continue to work together to entrench the current atmosphere of cooperation for the long-term.

While the business is thriving, there were some changes during the past year. The MHWMC board regretfully accepted the resignation of Nancy Bettcher. During her tenure, Nancy contributed significantly to our board as well as to the Miller Environmental Board. Her business background, combined with her many personal strengths, served the province very well.

Also in 2006, Dave Wotton retired as assistant deputy minister with the Manitoba Department of Conservation. Along with his many other department responsibilities, Dave was the liaison for MHWMC in its dealings with the department. We would like to thank him for all his efforts in working with MHWMC to establish the necessary framework for communication, particularly in the early stages of this partnership. We wish him well in retirement.

Earlier this year, I submitted my resignation as chairman and CEO of the Manitoba Hazardous Waste Management Corporation, effective Aug.1, 2007. I believe it is in the best interest of the corporation to periodically renew its leadership. It has been a rewarding experience working with individuals at all levels who are committed to the success of this venture,

For their support and encouragement, I would like to thank past and present MHWMC board members, as well as Roger Barnabe, our manager of finance. I am also indebted to the RM of Montcalm, Jack Penner, MLA for Emerson, and numerous ministers of Manitoba Environment and Conservation for the confidence they have demonstrated in my appointments and re-appointments over the years. I would particularly like to acknowledge two ministers of this department - Glen Cummings and Stan Struthers. Minister Cummings brought forward the concept of the hazard waste corporation and presided over its early development. More recently, Minister Struthers provided the interest, energy and support that made my decision to resign very difficult.

In closing, I would like to re-affirm my confidence in the continuing success of the Miller Environmental Corporation. In so many ways, it has been a truly rewarding experience to have worked with such dedicated individuals during the last 15 years.

Thank You

Richard A. Gallant,
Chairman and Chief Executive Officer

MESSAGE FROM THE COMMUNITY LIAISON COMMITTEE

This past year was as eventful as the previous ones in the continued development and evolution of the Miller Environmental Centre (MEC) operated by Miller Environmental Corporation in the RM of Montcalm.

The Community Liaison Committee (CLC) continues to review all correspondence about the centre from Miller and the Manitoba Department of Conservation. In particular, the 2006 annual monitoring report of centre operations were very encouraging. The centre continues to grow and evolve with negligible impact on the environment, as demonstrated by the sampling conducted last year.

The certification by the International Standards Organization (ISO) - along with the recent establishment of a workplace safety committee - further demonstrates that the facility is being well managed. For the first time since the centre opened, no incident reports were filed during the past year. This is very significant because it highlights the fact that proper procedures are being followed, a confidence builder for community attitudes towards the centre.

The monitoring report is being circulated among CLC members for their review. However, the CLC continues to rely on MHWMC board members Dr. Art Chow and Prof. Bill Paton for their scientific analysis and insights into the content of the report.

In the past year, the CLC received and approved three requests for license changes at the centre. These included a request last fall to replace the inorganic tanks, a request to increase inorganic storage from 30,000 to 50,000 L, and a notice of intent to shred oil containers in PB2. All the requests received a prompt response.

The only outstanding issue worthy of mention is the Land Value Protection Program. In this continuing debate, Miller has conceded that it is responsible for administration of the program, but feels it is not responsible for the final development costs, The MHWMC and the CLC believe Miller has liability for development costs, but the company hasn't budged despite concessions by the CLC with regards to these costs,

Miller has submitted the issue for the consideration of Manitoba Conservation which may use its legal counsel to review and finalize the documents. But since this submission, there has been no movement on any front. The CLC, for its part, will continue to make attempts to conclude this issue.

In summary, the community is satisfied with operations at the centre site. Having the local fire chief as the operations manager contributes to the maintenance of a sound facility and provides an added level of comfort for the community.

The CLC will continue to safeguard the interests of the community. We look forward to continued good working relations with all parties, including the Department of Conservation, Miller Environmental and the MHWMC.

Gaetan Fontaine, Chairman,
Montcalm Community Liaison Committee

OPERATIONS

It was a banner year.

Miller Environmental Corporation set new records in 2006-07 for revenue, profit and volume of waste handled at the Miller Environmental Centre (MEC) in the RM of Montcalm south of Winnipeg.

Miller's business has been on a steady upward curve since this company was established in 1996 to manage and operate the MEC processing plant originally opened by the Manitoba Hazardous Waste Management Corporation (MHWMC), a provincial crown corporation.

The pattern of growth continued in the latest 12 months due to a strong prairie economy and significantly higher prices for recycled metals. The demand for metals, like steel, copper and nickel, has been sparked by a construction boom, mainly in China where building has been at unprecedented levels.

Aggressive marketing by Miller also helped to increase its revenues in Manitoba, Saskatchewan, Alberta and Northwestern Ontario. The corporation is continuously developing its network of brokers who send waste for processing at the plant. The prairie market is static in terms of the numbers of manufacturers needing to dispose of hazardous waste. But Miller has a competitive advantage because it is the only disposal company with the ability to process waste in Manitoba. This cuts transportation costs for many customers and enables Miller to increase its market share by drawing business from competitors.

Another plus in the marketplace is the recognition granted Miller by the International Standards Organization (ISO) of Geneva, Switzerland. The corporation has been certified by ISO for meeting two international standards - one for environmental practices and the other for quality of operations. The two standards, recognized as a sign of reliability around the world, are a draw for multi-national customers, particularly from the United States.

The build-up of business has prompted Miller to expand the scale of its Manitoba operations. Having outgrown a small head office in south Winnipeg, the corporation took a major step in December, 2006, when it purchased a much larger, four acre head office site at 1803 Hecla Avenue in the north end of the city. Completing the move in April, 2007, Millller now has a 2,100 square foot office and warehouse, compared with 1,100 square feet and no warehouse at its former location. It is also receiving revenue by leasing a part of the new site to a pipe company and a school bus operator.

There were also developments at the MEC Centre in Montcalm. A wastewater treatment plant is being installed to enhance the removal of impurities from pesticide containers and other metal wastes. This will significantly increase efficiency at a time when demand is high for recycled metals.

Efficiencies were also obtained during the fiscal year when Miller implemented a policy of buying its own trucks. The corporation now looks after 75 per cent of its transportation needs, eliminating most of the expense of hiring other truckers.

Trucks are vital in many aspects of the corporation's business, including the residential sector. Miller has a year-to-year contract to run the Manitoba Government's household waste collection and disposal program. The corporation makes 20 pick-ups a year at rural Manitoba depots, including 10 in the spring and the rest in the fall. As well, Winnipeg hazardous household waste is collected when Miller's warehouse becomes a receiving depot on scheduled Saturdays every month.

Provincial officials are currently planning a "Green Manitoba" initiative to improve the household waste program. When the new guidelines and regulations are drafted, Miller intends to again be a bidder for the contract which it has held for many years.

The corporation will also tender again for renewal of its major CropLife contract which is now in its third and final year. Under the contract, Miller is collecting, treating and disposing of pesticide container residues for CropLife, an Ontario-based association of pesticide manufacturers,

With business brisk and innovations at the office and plant, morale is high among Miller employees. Staff has increased to 34 full-time and eight term employees, including 28 at the Montcalm centre.

As the year ended, Miller continued to enjoy a positive relationship with all MEC stakeholders - the MHWMC, the Community Liaison Committee and Manitoba Conservation. Through regular meetings and by providing all pertinent information, the company works cooperatively with its partners to efficiently dispose of hazardous waste and maintain the quality of Manitoba's environment.

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Auditors' Report

To the Members of
MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

We have audited the balance sheet of **MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION** as at March 31, 2007 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
June 28, 2007

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MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION
Balance Sheet

March 31	2007	2006
Assets		
Current Assets		
Cash and bank	**$ 62,140**	$ 94,850
Rent receivable (Note 2)	**463,746**	282,966
	525,886	377,816
Long-term investment - Miller Environmental Corporation	**1,000,000**	1,000,000
Capital assets - land, at cost	**170,305**	170,305
	$ 1,696,191	$ 1,548,121
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 10,024**	$ 10,427
Equity		
Share capital (Note 1)	**7,500,000**	7,500,000
Deficit	**(5,813,833)**	(5,962,306)
	1,686,167	1,537,694
	$ 1,696,191	$ 1,548,121

On behalf of the Board:

_____ Director

_____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION
Statement of Operations and Deficit

For the year ended March 31	2007	2006
Revenue		
Gross profit·rent (Note 2)	**$ 180,780**	$ 77,419
Expenses		
General and administrative expenses	**32,307**	35,224
Net income for the year	**148,473**	42,195
Deficit, beginning of year	**(5,962,306)**	(6,004,501)
Deficit, end of year	**$ (5,813,833)**	$ (5,962,306)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION
Statement of Cash Flows

For the year ended March 31	2007	2006
Cash Flows from Operating Activities		
Net income for the year	**$ 148,473**	$ 42,195
Changes in non-cash working capital balances		
Rent receivable	**(180,780)**	(77,419)
Accounts payable and accrued liabilities	**(403)**	(572)
Decrease in cash and cash equivalents for the year	**(32,710)**	(35,796)
Cash and cash equivalents, beginning of year	**94,850**	130,646
Cash and cash equivalents, end of year	**$ 62,140**	$ 94,850

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION
Summary of Significant Accounting Policies

March 31, 2007

Nature of Business

The Manitoba Hazardous Waste Management Corporation was established under the Manitoba Hazardous Waste Management Corporation Act. The organization, as an agent of the Government of the Province of Manitoba, is responsible to establish, operate, and maintain in accordance with all applicable laws in the province, a hazardous waste management system in Manitoba. This system must be operated and maintained in a manner that will protect the health and safety of the public and preserve the environment. Effective January 1, 1996, the organization entered into various agreements with Miller Waste Systems, a division of Miller Paving Limited and Miller Environmental Corporation (Miller) for the continued operation of the hazardous waste management system in Manitoba.

These agreements provide for the transfer of certain assets and liabilities to Miller in exchange for 50% of the common shares and all the Class A special preferred shares of Miller. Under the agreements, the organization retains title to its land holdings which are being leased to Miller for an indefinite term, contingent on Miller's continued existence and operation of the hazardous waste management system.

Financial Instruments

The organization's financial instruments consist of cash, rent receivable, long-term investments and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Long-term Investments

The investment in Miller Environmental Corporation is recorded at cost of $3,000,000 less $2,000,000 writedown in 2003 to represent the estimated value of the investment after taking into consideration an impairment in value.

Rental Income

According to the terms of the site lease with Miller, rental income is based on a percentage of Miller's gross profits.

Revenue Recognition

Gross profit rent revenue is based on the gross profit of Miller Environmental Corporation (MEC). MEC has a year-end date of February 28 and the gross profit rent revenue is calculated using the year-end audited financial statements of MEC. Therefore, gross profit rent revenue is recognized for the MEC year ending February 28th by Manitoba Hazardous Waste Management Corporation each year.

1. Share Capital

The authorized capital of the organization is 350,000 shares for a maximum consideration of $35,000,000.

The issued capital is as follows:

	2007	2006
75,000 common shares	**$ 7,500,000**	$ 7,500,000

2. Gross Profit Rent

On January 1, 1996, Miller Environmental Corporation (MEC) entered into a site lease agreement with the Manitoba Hazardous Waste Management Corporation (MHWMC). Under the terms of the agreement, MEC is committed to annual rent payments of 20% of gross profit to a maximum of $500,000 for each calendar year.

The estimated rental profit receivable based on the audited financial statements of MEC for the fiscal years ending February 28 is as follows:

February 28, 2007	**$ 180,780**
February 28, 2006	**77,419**
February 28, 2005	**94,817**
February 28, 2004	**21,115**
February 28, 2003	**16,998**
February 28, 2002	**57,323**
February 28, 2001	**15,294**
	$ 463,746

3. Contingencies

Under the terms of the agreements with Miller Environmental Corporation, MHWMC would be responsible for any claims prior to January 1, 1996 not disclosed during the due diligence process. Any future removal and site restoration costs would be the responsibility of Miller and the Province of Manitoba. An estimate of these costs cannot be determined and therefore no provision has been made in the financial statements for any such costs.

4. Economic Dependence

The organization is economically dependent on Miller Environmental Corporation. The organization's main future sources of revenue are site lease rental revenue and dividend income from its affiliate.

5. Public Sector Compensation

Pursuant to the disclosure required by the Public Sector Compensation Disclosure Act, the remuneration paid to Board members during the year, in aggregate, totalled $10,410. No employee's compensation exceeded $50,000 per year.

6. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

BOARD OF DIRECTORS

Mr. Richard Gallant, Chairmain and CEO
Dr. Art Chow
Mr. Arnold Grambo
Mr. Murray Craddock
Mr. Alex Forrest
Dr. Bill Paton
Mr. Gilles Sabourin
Mr. Ian Forrester

Richard Gallant, Gilles Sabourin and Ian Forrester are representatives of the Rural Municipality of Montcalm under the Manitoba - Montcalm Co-Management Agreement.

MHWMC MANAGEMENT

Mr. Richard Gallant, Chairman and CEO
Mr. Roger Barnabé, Manager, Finance and Administration

MILLER ENVIRONMENTAL CORPORATION

Provincial appointees to the Miller Environments Corporation board of directors

Mr. Florent Beaudette, St. Jean Baptiste *
Mr. Richard Gallant, Letellier *
Mr. Chris O' Grady, Winnipeg

* Representatives of the Rural Municipality of Montcalm
Note: The other five members of this nine-member board are chosen by Miller Waste Systems, the joint venture partner with the MHWMC.

MEC MANAGEMENT

Mr. Vaughn Bullough, Vice President & General Manager
Ms. Judy Barnabé, Administration and Accounting Manager
Joel Carlson, Sales Manager
Mr. Marcel Bissonnette, Plant Operations Manager
Mr. Paul Leonard, Customer Service Manager

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